

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT OF)
WEST DAVIESS COUNTY WATER DISTRICT) CASE NO. 94-178

O R D E R

On May 2, 1994, West Daviess County Water District ("West Daviess") filed an application with the Public Service Commission ("Commission") seeking to adjust its rates pursuant to the purchased water adjustment procedure, KRS 278:015 and 807 KAR 5:068.

On May 24, 1994, the Commission issued an Order approving rates that reflected the proposed purchased water adjustment.

On June 24, 1994, West Daviess filed with the Commission an application seeking a reduction in rates pursuant to the purchased water adjustment clause. In its application, West Daviess states that the increase of 6 percent sought by Owensboro Municipal Utilities ("Owensboro") was rejected by the Owensboro City Commission and an increase of 4 percent in water rates was approved. This filing will be treated as an amendment to the original application.

The Commission, having reviewed the evidence of record and being otherwise sufficiently advised, finds that:

1. West Daviess purchases water from Owensboro.

2. Effective June 1, 1994, Owensboro increased its rate for wholesale water from \$1.10 per 1,000 gallons to \$1.154 per 1,000 gallons.

3. West Daviess proposed to increase the rates to its customers effective July 1, 1994.

4. During the 12 months ending June 30, 1994, West Daviess purchased 379,399,177 gallons of water and sold 350,632,100 gallons.

5. West Daviess' calculations are correct and show an increase in purchased water cost of \$16,694, resulting in a purchased water adjustment of 5 cents per 1,000 gallons. Based on an average monthly usage of 5,000 gallons, monthly bills to West Daviess' customers will increase from \$13.60 to \$13.85, an increase of 1.8 percent.

6. The purchased water adjustment of 5 cents per 1,000 gallons and the rates in Appendix A are fair, just, and reasonable and should be approved.

7. West Daviess has proposed to increase the rates to customers that are classified as non-users. As these customers do not use any water, the proposed purchased water increase to non-users should be denied.

8. The Order dated May 24, 1994 in this case should be vacated.

IT IS THEREFORE ORDERED that:

1. The proposed rate increase to non-users is hereby denied.

2. The purchased water adjustment of 5 cents per 1,000 gallons and the rates in Appendix A, attached hereto and incorporated herein, are approved for services rendered on and after July 1, 1994.

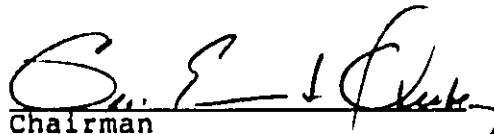
3. Within 30 days of the date of this Order, West Daviess shall file its revised tariff setting out the rates approved herein.

4. Within 30 days of the date of this Order, West Daviess shall file verification that the notice to its customers has been given.

5. The Order dated May 24, 1994 in this case is hereby vacated.

Done at Frankfort, Kentucky, this 18th day of July, 1994.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 94-178 DATED July 18, 1994.

The following rates and charges are prescribed for the customers in the area served by West Daviess County Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Gallons Per Month

Rates

First 2,000 Gallons	\$6.50 Minimum Bill
Next 8,000 Gallons	2.45 Per 1,000 Gallons
Next 10,000 Gallons	2.05 Per 1,000 Gallons
Next 20,000 Gallons	1.90 Per 1,000 Gallons
Over 40,000 Gallons	1.85 Per 1,000 Gallons
To Other Water Districts	1.88 Per 1,000 Gallons